

A G E N D A

BOARD OF MANUFACTURED HOUSING

Department of Fire, Building and Life Safety

Date: **Wednesday, May 12, 2010; 1:00 P.M.**
Department of Fire, Building and Life Safety
1110 West Washington, **Room 3100B (3rd Floor)**
Phoenix, AZ 85007

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the general public that the members of the Board of Manufactured Housing will hold a regular meeting open to the public at the Board's office, at 1110 West Washington, Room 250, Phoenix, Arizona. The Board, upon a majority vote of a quorum of the members, may, when necessary, hold an Executive Session to obtain legal advice regarding any of the agenda items, pursuant to A.R.S. § 38-431.03(A)(3) and (4). The Board may also hold an Executive Session to review confidential records exempt by law from public inspection, pursuant to A.R.S. § 38-431.03(A)(2).

Those wishing to address the Board need not request permission in advance; however, the Board suggests that no more than three (3) people address the Board during the "Call to the Public" on any one issue. Pursuant to A.R.S. § 38-431.02(H), the Board can only take action on matters listed on the agenda. If appropriate, actions on public comment matters that are not listed on the agenda will be limited to directing staff to study the matter or schedule the matter for further discussion at a later date.

The agenda is subject to change up to 24 hours prior to the meeting. Please call **602-364-1062** or email Maryann.knight@dfbls.az.gov for any changes. Agenda items are noted by number and letter for convenience and reference. The Board may address the agenda items in any order within the time frame indicated, and may set over matters to a later time when necessary. The Board reserves the right to change the order of items on the agenda, except for matters set for a specific time.

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting MaryAnn Knight at **602-364-1062** or email Maryann.knight@dfbls.az.gov. Requests should be made as early as possible to allow time to arrange the accommodation.

1:00 P.M.

- I. Call to Order (Chairman)
- II. Roll Call (Secretary)
- III. Approval of Court Reporter Transcript and Abbreviated Minutes of March 17, 2010, meeting.
- IV. Financial Report – review, discussion, and possible action – *Standing Item*
 - a. January 2009 Report as presented by the Deputy Director (*March report as handout at meeting*)
 - b. Update on new reporting format for interest and educational grant payouts
- V. Update on Legislative Bills presented by Director of Compliance
- VI. Fee Structure – review, discussion, and possible action – *Standing Item*
 - a. The Board shall establish a fee scheduled **BEFORE May 15** for the coming fiscal year (*95% - 105% recommendation handout at meeting*)
- VII. Recovery Fund – review, discussion, and possible action – *Standing Item*
 - a. Fund balance and pending claims update provided by Director of Compliance
- VIII. Bonding Requirements – review, discussion, and possible action – *Standing Item*
- IX. Call to the Public

Public Comments (Consideration and discussion of comments and complaints from the public. Those wishing to address the Board need not request permission in advance. Action taken as a result of public comments will be limited to directing staff to study the matter or scheduling the matter for further consideration and decision at a later date.)
- X. Announcements of future meeting dates and other information concerning the Board.
- XI. Adjournment

Court Reporter Transcripts

Available for your review at:

<http://www.dfbls.az.gov/omh/board.aspx>

DRAFT

ARIZONA BOARD OF MANUFACTURED HOUSING

ABBREVIATED MINUTES

MARCH 17, 2010 BOARD MEETING

CALL TO ORDER

Chairman Wait called the meeting to order.

After the roll call, Mr. Barger introduced Gene Palma as the new director of the Department of Fire, Building and Life Safety. Mr. Palma was previously the Director of the Department of Weights and Measures.

APPROVAL OF SEPTEMBER 2009 BOARD MINUTES

Motion made by Chairman Wait to approve the September 2009 Court Reporter transcript and draft abbreviated minutes. Motion was seconded by Board member DeSanctis and approved by Board.

FINANCIAL

Deputy Director Blake presented the December 2009 financial reports. Director Blake explained the deposit of \$321,000 to the Recovery Fund. This represents the interest earned in the Cash Bond Fund over the years. Question raised by Board member Wendt concerning this fund and its' past deposits. He suggested that some of the entities which had deposits in the fund bond were no longer in business. Ms. Soliere explained that the funds are used to pay claims as they are approved through the hearing process.

Mr. Haney questioned the availability of funds for education since there is a balance in the Recovery Fund. Mr. Barger explained that the balance is accounted for by the number of lump sum payouts that are pending. At the request of Chairman Wait, Deputy Director Blake agreed to revise and simplify the reports.

Mr. Barger explained the details of the latest budget cuts:

- Discontinued all Fire Training
- Closed Tucson Office
- Employee RIF
 - Fire Resources Coordinator
 - 2 Training Officers
 - 2 Customer Service Representatives

Mr. Barger informed the Board that the existence of DFBLS, as we know it, depends on the voters approving the sales tax. Even if it is approved in May, DFBLS will need to do additional cuts because the appropriated budget is lower than this year.

Both Mr. Palma and Mr. Barger said that everything was up in the air until May 19.

Deputy Director Blake informed the Board in response to staff reductions, 2 OMH inspectors were being cross trained. She also explained that OMH is actively seeking jurisdictions with whom IGA's can be executed. This will ensure that installation inspections continue.

LEGISLATIVE UPDATE

- I. Ms Soliere explained that HB2058 was originally entitled Mobile Home Parks Maintenance and Repair. It was changed to Residential Landlord Maintenance and Repair. It now deals with apartment complexes and "mobile homes" were struck from the bill
- II. HB2473, Manufactured Housing Escrow Accounts has passed through the House of Representatives. It is in the Senate waiting to be voted on. In the interim, DFBLS has established a task force of stakeholders to address the writing of escrow instructions. Ms Soliere, in response to a question from Chairman Wait, that the Recovery Fund would still cover homes under \$50,000.
- III. HB2446 is Alarm Business and Agents. This would require the department to license all alarm businesses and their agents
- IV. Ms. Soliere discussed HB2001 and SB1001, the budget bills. She advised that they were basically the same in that DFBLS' existence depended on the passing of the sales tax,

FEE STRUCTURE

Deputy Director Blake presented and explained the proposed increased fees. After much discussion concerning the use of fees, the Board decided to hold a special session in May to fully discuss and finalize a new fee schedule.

RECOVERY FUND

Chairman Wait asked that the Board designate Ken Anderson as an interested party in all Recovery Fund cases that come to hearing with the Office of Administrative Hearings. Ms. McGilvery questioned the need for someone other than the Board to perform this function. Chairman Wait informed her that Mr. Anderson's appointment makes perfect sense—in that he could represent the Industry. Mr. Palma explained to the Board that an "interested party" cannot sit in to represent one party or another. In fact, it is to the discretion of the Administrative Law Judge whether or not an "interested party" is allowed in the room/

BONDING REQUIREMENTS

This subject was carried over to the next meeting.

CALL TO THE PUBLIC

Ken Anderson spoke about the request that he be designated "interested party" in Recover Fund hearings. He explained that he would also report to the Director of DFBLS for items that he believes should be appealed. Deputy Director Blake reiterated that there is no "interested party" in such hearings. She also explained that only the parties of the hearing can file an appeal.

Kara Holt introduced herself as a representative of resale dealers. She emphasized that everyone needs to make the process work in order for the industry to continue to survive. She asked questions about and discussed the financial reports that were handed out at the meeting.

ANNOUNCEMENTS

Chairman Wait announced that the next meeting would be on May 12, 2010.

ADJOURNMENT

The meeting was adjourned at 2:53 p.m.

Jan-10

Educational Grants	Prior Year Interest
FY 07	NA
FY 08	\$ 15,679.00
FY 09	\$ 14,839.00

PRODUCTION REPORT:		Single	Double	Triple	Quad	Five	Inspection Visits	Violations Cited
# of Homes Labeled	29	48	4	0	0	10	24	
PRODUCTION TREND:								
	2010	2009	2008	2007	2006	2005		
March		119	290	389	825	743		
April		108	321	354	595	711		
May		116	304	400	740	686		
June		124	254	419	762	770		
July		102	243	334	486	617		
August		118	275	397	663	750		
September		135	247	308	490	759		
October		146	251	342	522	716		
November		119	184	312	463	708		
December		100	147	241	377	676		
January	81	126	286	374	723	611		
February		112	281	349	739	613		
AUDITS:	With Violations	With Out Violations	Unlicensed Activity Investigations	30 open/active complaints				
Trust Account Audits	3	0	3					
COMPLAINTS:	**Current	YTD	Prior					
New Received	5	80	132					
Closed/Reopened	0	13	12					
Closed for the Month	7	114	182					

30 open/active complaints

Debra Blake

From: Debra Blake [Debra.Blake@dfbils.az.gov]
Sent: Wednesday, March 31, 2010 11:45 AM
To: 'Carlo Leone@Peoriaaz.gov'; 'Catherine McGilvery'; 'Joe Stegmayer'; 'Neal Haney'; 'Paul DeSanctis'; 'Robert Gibb'; 'Roger Wendt'; 'Ross Wait'; 'Sam Baird'; 'Gene Palma'; 'maryann.knight@dfbils.az.gov';
Cc: Educational Grants follow-up from March 2010 Board Meeting
Subject:

Mr. Chairman and Board Members,

As follow up to the March 17, 2010 OMH Board meeting, below is the revised reporting method we are considering for future presentations.

- The chart to the far right, below, is the actual whole dollar amount of prior year interest earned from the Recovery Fund.
- The chart to the left, below, includes the following columns and calculations:
 - Education Fund Balance Forward from prior FY
 - 75% of Prior Year's Interest = 75% of the whole dollar amount of prior year interest (chart to far right)
 - Note: This information was not tracked prior to FY08 and is not available
 - Fund Balance Available for Edu Grants = is the sum of adding the Education Fund Balance Forward from prior FY plus 75% of Prior Year's Interest
 - Checks Issued for Grants
 - Remaining Balance of Fund = is the product of the Fund Balance Available for Edu Grants minus the amount of Checks Issued for Grants

For example, FY 08 is broken down below as it is depicted on the chart:

Fund Balance Forward from prior FY	=	\$ 2,550.00
75% Prior Year's Interest	+	\$ 11,759.25
Fund Balance Avail for Edu Grants	=	\$ 14,309.25
Checks Issued for Grants	-	\$ 13,000.00
Remaining Balance of Fund for FY 08	=	\$ 1,309.25

This format has been updated on the December Monthly Summary Report and will be provided as a handout for discussion at the May 2010 Board Meeting.

Educational Grants	Education Fund Balance Forward from prior FY	75% of Prior Year's Recovery Fund Interest	Education Fund Balance Available for Grants	Checks Issued for Grants	Remaining Balance of Education Fund	Educational Grants	Prior Year Interest
FY 07	NA	NA	NA	NA	\$ 2,550.00	FY 07	NA
FY 08	\$ 2,550.00	\$ 11,759.25	\$ 14,309.25	\$ 13,000.00	\$ 1,309.25	FY 08	\$ 15,679.00
FY 09	\$ 1,309.25	\$ 11,129.25	\$ 12,438.50	\$ 5,000.00	\$ 7,438.50	FY 09	\$ 14,839.00
FY 10	\$ 7,438.50	NA	NA	NA	NA		

Debra Blake
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JANICE K. BREWER
Governor



GENE PALMA
Director

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OFFICE OF ADMINISTRATION * OFFICE OF MANUFACTURED HOUSING * OFFICE OF STATE FIRE MARSHAL

FEE SCHEDULE FOR 2009-2010 FISCAL YEAR

FEES ARE EFFECTIVE BEGINNING JULY 1, 2009

LICENSING FEES

Manufacturers:

	<u>New License</u>	<u>Renewal</u>
M-9A Manufacturer of Factory-Built-Buildings (FBB) and FBB Subassemblies	\$ 840.00	\$ 420.00
M-9C Manufacturer of Manufactured Homes	840.00	420.00
M-9E Master Manufacturer (includes scope of M-9A and M-9C)	1,320.00	660.00

Dealers:

D-8 Retailer of Manufactured Homes or Mobile Homes	\$ 540.00	\$ 270.00
D-8B Broker of Manufactured Homes or Mobile Homes	420.00	210.00
D-10 Retailer of FBB or FBB Subassemblies	540.00	270.00
D-12 Master Retailer (includes scope of D-8, D-8B and D-10)	840.00	420.00

Installers:

I-10C General Installer of Manufactured Homes, Mobile Homes or Residential single-family FBB	\$ 420.00	210.00
I-10D Installer of Accessory Structures attached to Manufactured Homes, Mobile Homes or Residential single-family FBB	420.00	210.00
I-10G Master Installer (includes scope of I-10C and I-10D)	720.00	360.00

Salespersons	\$ 200.00	\$ 100.00
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PLAN FEES

Plan Application Submittal	\$ 30.00 each
Plan Review	\$ 100.00 per hour/one hour minimum

INSIGNIA FEES

Manufactured Homes	\$ 10.00 each
FBB	\$ 50.00 each
Subassembly	\$ 10.00 each

PERMIT FEES

Manufactured/Mobile Installation Permit	up to \$ 200.00 each
FBB - residential	up to \$ 600.00 per story including systems
FBB – commercial	up to \$ 4.00 per lineal foot per story including systems
Renewal permit (Mfg. and FBB)	\$ 80.00 each
Special Use Permit	\$ 65.00 each
<i>(expires 45 days from date of purchase)</i>	

INSPECTION FEES

Plant Inspection	\$ 50.00 per hour, plus mileage @ 0.445/mile
Installation Inspection	\$ 80.00 per hour, plus mileage @ 0.445/mile
<i>(1st three (3) inspections are included in the cost of the installation permit)</i>	
Technical Service	\$ 80.00 per hour

MOBILE HOME REHABILITATION FEES

Permit	\$ 100.00 each
Insignia	\$ 2.00 each
Waiver	\$ 7.00 each
Inspection	\$ 80.00 per hour

ADMINISTRATIVE FUNCTION FEES

Change name of license	\$ 10.00 each
Change license location	\$ 10.00 each
Change license telephone number	\$ 10.00 each
Add branch location	\$ 10.00 each
Delete branch location	\$ 10.00 each
Reinstate bond	\$ 10.00 each
Process returned check	\$ 10.00 each
Change status of license to inactive	\$ 10.00 each
Books	\$ 2.00 each
Copies	\$.50 each page
All refunds are subject to a fee of	\$ 60.00 each

Fees charged by the Department are not included in Rule and are exempt from the State Rule procedures (Arizona Revised Statutes § 41-2144(C)).